Certificate of Need Task Force Meeting
June 28, 2006
Meeting Minutes

TASK FORCE MEMBERS PRESENT

Representative Barbara Bailey
Representative Eileen Cody
Norm Charney, MD
Dorothy Graham
Steve Hill
Kathy Marshall
Mary Selecky
Palmer Pollock
Jon Smiley
Robby Stern
Janet Varon
Carolyn Watts, Ph.D., Chair
Rick Woods

TASK FORCE MEMBERS ABSENT

Senator Alex Deccio
Denise Hopkins, D.D.S.

GUEST SPEAKERS PRESENT

Laura Boyd
Kevin Russell
Cynthia Smith

INTERESTED PUBLIC PARTIES

Stacey Baker
Chris Blake
Jane Beyer
Len Eddinger
Bart Eggen
Cynthia Forland
Bill Hagens
Lisa Jeremiah
Tanya Karwaki
Jerry Kaufman
Gail McGaffick
Robb Menaul
Ellie Menzies
Scott Plack

STAFF PRESENT

Nancy Fisher, MD
Linda Glaeser
Tom Piper, Consultant
Beverly Skinner
Pat Maley

Topic	Discussion	Follow-up
Welcome Introductions Agenda Review	Task Force (TF) members, staff and public parties were introduced. Agenda was accepted as published.	

Minutes Review Announcements	Minutes were approved as written.	
State of Maine's Dirigio Project's Year 2 cost savings applicable to the Certificate of Need (CON) program and related Capital Investment Fund (CIF)	Cynthia Smith and Kevin Russell, principals with Mercer Government Human Services Consulting, presented the work and results of the Year 2 cost savings applicable to the Maine Capital Investment Fund (CIF). Points presented included: • Foundational purpose of Maine's Dirigo Project (multiple aspects) – provide access to affordable quality health care coverage for all citizens within 5 years while containing costs. • Financial basis for project includes: employer contributions, individual contributions, state general revenue (first year only), Medicaid dollars, and funds obtained through recovery of savings from a series of initiatives. • Dirigo Health Agency (DHA) is responsible for design of benefits and defining allowable administrative costs to health care to the working poor and small employers. • CON reform and the related CIF initiative is a part of the comprehensive Dirigo Project. • CIF, as a initiative designed to provide savings, is a methodology for annually limiting the amount of approved capital investment for CON regulated facilities/services/equipment. • Legislature imposed one-year moratorium on CON approvals and required establishment of annual limit (CIF) on CON spending once moratorium was lifted. • CON program's purpose is to ensure that investments are made only for projects that meet health care needs consistent with Maine' State Health Plan.	

	Discussion points included: • Maine's overall project, with various components, was designed for a specific purpose or goal - universal coverage. • Maine has a smaller population than Washington; although they have urban as well as rural areas. • The CIF is a calculation of dollars not spent or expenditures "saved".	
Dartmouth Atlas's recent work and related Washington state experience	Dr. Nancy Fisher shared materials from Dr. Elliott Fisher, of Dartmouth Atlas. Summary highlights included: • Medicare patterns of care are highly predictive of the commercial population care patterns (study done with Michigan BCBS who covers 85% of commercial population). • End of life patterns of care are consistent with patterns of care of previous practice periods. • Rates of utilization of ICU and MD's visits increase rapidly in areas with the most care. • Capacity has a stronger effect on hospitalization decisions than: 1) insurer 2) patient's age 3) race 4) disease severity • Frequency of certain types of care varies with: 1) geography 2) health organization 3) medical resources • Evidence-based medicine not a significant factor at this	

	time. • High utilization areas have more specialist and higher hospitalization rates. • Supply of physicians and visit rates similar to bed supply and hospital rates • Higher utilization areas have increased mortality rates. • Characteristics of the high input or utilization areas include: 1) 32% more hospital beds 2) 31% more physicians 3) 65% more specialists 4) 75% more internist 5) 29% more surgeons 6) 61% more medical spending • Quality appears to be inversely proportional to the dollars spent.	
Washington's Business/Purchaser's Perspective	Laura Boyd, President of the Health Care Purchaser's Association, discussed the purchaser's perspective on health care costs as well as the group's recommendations to the Task Force. The points on perspective included: • Healthcare is different from other business 1) Quantity of services, facilities and equipment does not fluctuate with the demand 2) Infrastructure costs are passed through to the consumer/payer 3) Information is not available such that consumers can shop based on cost and quality • Choice in health care should be maintained to support competitiveness, creativity and advancement • Government should provide sufficient oversight to	

	assure quality, safety and cost containment thru common standard utilization and collaboration among all stakeholders The recommendations shared with the TF included: • WA State needs a current dynamic plan for health care that addresses both the delivery system and financing • Some oversight is needed because of the way health care operates • CON can serve as one of government's tools in overseeing this complex health care system • CON can help implement a strategic plan for health care delivery in WA	
JLARC CON Report	ESSHB 1688 directed that the '06 JLARC report be considered by the Task Force in the development of their recommendations. Members of the JLARC team presented the CON Performance Audit as approved 6/26/06 by the Joint Legislative Audit Review Committee. Points made by the team included: • A JLARC performance audit is carried out using the state's auditing standards and is limited to the Scope and Objectives as outlined by the Legislature and approved by the Joint Legislative Audit Review Committee. • The CON Performance Audit as approved on 6/26/06 is the final version for presentation to the Legislature. Comments are welcomed. • DOH concurred with all of the recommendations within the report. Points discussed in further detail included:	

	• CON staff support work related to appeals as well as application analysis. • Appeals may be brought by interested parties or competitors, not just the CON applicant. • Expenses related to an appeal, even if brought by an interested party, are supported by the current budgetary process based entirely upon application fees. • The establishment and maintenance of data systems require financial resource allocation. • The directive to the TF is to develop recommendations for improvement – the financial implications will need to be addressed and prioritized within the Legislature. • The current owners/operators of the program may have additional ideas regarding improvement. The Task Force voiced a desire that CON staff reflect upon the question of "additional ideas regarding improvement" and share at a subsequent session.	DOH staff to consider the question of whether there were any additional ideas for consideration.
CON Purpose & Goals Discussion: Additional TAC Feedback	The report from the 06/8/06 TAC meeting discussion identified two suggested revisions to the previously submitted and approved work on Purpose and Goals. • The information, as presented at the 05/17/06 TF meeting regarding optional venues for state health planning accountability, was received and supported. • The wording related to data system definition was refined to reflect their view that the data system should support at minimum those facilities or services regulated by CON.	Suggested revisions by TAC to be incorporated into the appropriate sections of the Task Force's CON Draft Report.

	It was concluded from a discussion about the definition of Public Health: • CON regulation impacts services and facilities usually associated with acute care and community health systems. • State Health Plans would be concerned with the broader issue of Public Health.	Consider definition and relationship in future work and specific word choices in final report – retain the use of the word Public Health for those areas concerned with the State Health Plan. The proposed preamble would appear to be an appropriate placement for the use of the term Public Health.
CON General Review Criteria Discussion: Additional TAC Feedback	The report from the TAC discussion related to review criteria and potential revision to RCW 70.38.115 identified the following points: • The consideration of potential impact upon educational settings should be broadened to include more than those setting preparing doctors. • In the future there may be other specialized facilities, besides Children's Hospitals, requiring special consideration. • Charity care requirements should apply to more than hospitals. • Availability and use of baseline service area data for services other than hospitals and nursing facilities would strengthen determination of need decisions. • The wording about the impact on the health system in a service area could be strengthened or expanded.	Incorporate suggestions into the appropriate sections of the draft final report. Use of the term "Public Health" should be retained for use in the proposed preamble.
CON Scope of Coverage Discussion: Additional TAC Feedback	The report from the 05/25/06 and 06/8/06 TAC discussion related to Scope of Coverage identified the following suggested revisions or additions to the Health Facilities and Services Eligible for CON Review Summary document: • Clarification that the item **Pediatrics (specialty)** in the **Proposed to Continue Review** column currently	

	includes the Pediatric ICU. Therefore, it does not need to be listed under the column **Proposed for Future Study or Potential Regulation.** • Clarification that the item **Single specialty Freestanding ASCs** in the **Proposed to Continue Review** column would be more correctly worded as: **Freestanding ASCs open to non-owner practitioners.** • Item 11, on page 4, within the General Qualifiers and Considerations section, that serves as a recording or parking lot for individual Technical Advisory Committee member comments and concerns expressed during their discussions, was expanded to capture the current preference by the Home Health and Hospice community for the retention of the hybrid approach to CON coverage only for Medicaid/Medicare providers. • The items below the dotted line under the **Proposed for Future Study or Potential Regulation** column are general comments related to the topic of CON Scope of Coverage. Issues discussed included: • CON review is required for expansion of approved beds within a facility, but not for reallocation of existing or approved beds. • Hospital ER expansion is not currently reviewed. • Potential impact of hybrid methodologies (only if Medicare or Medicaid provider) for CON regulation upon comprehensive data base for services available within a community. • Questionable need to review major capital investments for renovation – would not currently require CON	Remove these general comment placeholders from the summary table. Retain the suggestions for further discussion. Add under the **Proposed for Future Study or Potential Regulation:** • Bed conversions (under subheading: Acute Inpatient) • Home Health Care (under subheading: Other Services) • Hospice Agencies (under subheading: Other Services)

	review if not a new service, new facility, or expansion of an existing facility/service. • Potential for "game playing" with use of financial thresholds for reviewable items, particularly major medical equipment. • The value and challenge of capturing a "picture" of the current health system capacity in order to develop a State Health Plan.	Staff to gather additional information related to the value and potential consequences of a moratorium or other methodology. Discuss at future meeting. Staff to gather and prepare comparisons of State Health Plans from Maine, Maryland, NC, Vermont, and WA Convert the 08/16/06 TF Conference Call to an additional full day face-to-face meeting. Continued discussion of Scope of Coverage and State Health Plan to be included in that agenda.
CON Service & Facility Specific Policies and Compliance Monitoring Discussion: Additional TAC Feedback	The worksheet summarizing the 05/25/06 and 06/8/06 TAC discussions related to Compliance Monitoring, Specific Policies, and Program Process Improvement was presented. It was concluded that additional time was needed to adequately review and discuss the breadth of the suggestions. It was requested that the CON Program staff review the suggestions and provide feedback at the 08/16/06 meeting.	Convert the 08/16/06 TF Conference Call to an additional full day face to face meeting. Include the TAC suggestions related to Compliance Monitoring and Program Process Improvement as part of that agenda.
Final Report Production	The initial drafting of the final report by the Report	

	Subgroup has progressed thru sections: Background and Purpose & Goals. The initial draft of the section: General Criteria will be issued to the general TF membership for comment on 07/5/06. Since the TF discussion will not be completed until 08/16/06, the report preparation schedule for the remaining sections will require modification.	Staff to revise report preparation schedule as indicated.
Public Comment	Comments presented by Gail McGaffick: • Support of the comments by Palmer Pollock from the TAC. • Access to DOH's comments, in response to the JLARC study or otherwise, are crucial and would be appreciated. • Appreciation for the transparency around the work of this Task Force. • Request for additional opportunity for public party comments during the meeting. • Request for prior notification of the topics for the 08/16/06 meeting.	
Meeting Wrap-up		Convert scheduled 08/16/06 TF Conference Call to full day face-to-face meeting to complete discussions. Subgroup comprised of: Janet Varon, Palmer Pollock, and Rick Woods to provide support to staff in development of agenda.
Adjourn	The meeting was adjourned at 4:30 pm.	

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